Gail Christopher, Executive Director, Innovations in American Government
John F. Kennedy School of Government, Harvard University

Performance and Innovation: The Challenges for the New Millennium

I want to thank the people who convened this meeting. It is the direction of the future for our Innovations efforts. I must acknowledge the Environmental Protection Agency and the Council for Excellence in Government. The Innovations in American Government Awards Program is very excited to have been invited. Hopefully, we will motivate some of you to apply for the award this year.

Perhaps the most important lesson that my travels abroad have taught me in the last couple of months is that we need to rise above our partisan politics, our state and local battles, our federal and state battles, and transcend these dynamics to realize the commonality and the urgency that we all face in terms of our environmental challenges.

The thing that excites me and humbles me about speaking to this particular audience this morning is that each of you, in your own way, has chosen to focus on the things that truly, truly unite us. I mean, the quality of our air, the quality of our water, the health of our environment. We all share concern about these issues.

I want, in my brief talk with you this morning, to highlight some of the winners of the Innovations in American Government Award, and then talk about the lessons that experience has taught the John F. Kennedy School of Government at Harvard University and those involved in the program since its inception in 1986. The Ford Foundation launched this initiative, Innovations in American Government in response to what was then a growing and escalating sentiment that government could not be trusted, that government should shrink. In some corners, it was even suggested that government should go away. I know you all are familiar with those sentiments from your day-to-day work. Leaders at the Ford Foundation asked, "what can be done about this; what can we do?" Ford is an organization committed to social justice, equity, economic development, and social change throughout the world. They said, we need proactive governments; we need active civic participation.

So, what could be done? What strategy, what innovation could Ford create that might address this seemingly uncontrollable problem of people beginning to hate or to be disengaged from government, particularly in democratic societies?

They created the Innovations in American Government Program, which initially focused on innovation in state and local government. Ford believed that if they could identify outstanding models of excellence in government, outstanding models of creativity, and if they could invest in lifting those models up in terms of publicity and exposure, that it would get citizens to trust government. Ford did that effectively. In 1995 they decided to add the federal government.

One of the challenges that the program faced, though, was the difficulty in getting the

media to tell news stories about good government. Since the media seems to be public's main conduit for learning about the activities of government, the efforts of the Foundation to improve trust in government seemed to be a bit blocked. It was at that point that Ford decided to engage more aggressive activities. Ford funded the Council for Excellence in Government to launch an actual Trust in Government initiative, which is more strategic in its efforts to really focus on helping citizens to pay attention to the fact that government works and government works well.

The Kennedy School of Government at Harvard University administers the Innovations Program in partnership with the Council for Excellence in Government. Because of the Innovations Program's success, Ford has replicated it around the world.

Representatives of all the Ford-sponsored innovations programs gathered together in Minnesota in November. We have programs in South Africa, Chile, Brazil, and the Philippines. Now, we're about to launch one in China and one in Indonesia, and there's also an Honoring Nations program here in the United States, which recognizes the innovations of Native American nations. What's most interesting about the different programs around the world is that each has a different mission. These programs are celebrating innovations, but are keyed to the urgencies of their nation. For instance, in South Africa, they're keyed to eliminating poverty. In the Philippines, they're keyed to strengthening local governments. In the Honoring Nations, they're keyed to promoting sovereignty among Indian nations. Of course, the United States program is keyed to promote trust in government.

Each year, the Innovations Program gets about 1,500 applications from around the country. Our challenge is to identify ten winners. We first reduce the pool to 100 semifinalists, and then to 25 finalists. Finally, the National Selection Committee selects ten winners. You have information in your packets on this year's total group of finalists, but I'm just going to talk about the ten winners. This year, we had two federal winners.

The one that all of you probably know about is the *EPA's Brownfields Economic Redevelopment Initiative*. I think what impressed the Selection Committee was that, although people had heard about the initiative, they weren't aware of the scope and the scale of the intervention, nor the economic impact it has had on local communities, or its capacity to leverage development resources. The other thing that impressed the Committee was that the program addresses an unintended consequence of prior innovation and legislation. That's one aspect of innovation that we tend to not pay enough attention to: sometimes we have unintended consequences that are not good. We may have the best intentions in the world, but sometimes the results are not all wonderful. The mayors actually initiated this particular effort when they came to the EPA, as many of you may know, and said "as cities, as urban areas, we're missing out on the economic boom in this country, and it has a lot to do with the consequences of the Superfund initiative and the liabilities." That gave birth to this creative approach to leveraging resources and balancing partnerships in creating change.
The Charter School Law from Minnesota. Although school choice is highly controversial right now, and will always be, what the Selection Committee noted was that this

particular law was the first to create the opportunity for charter schools in the country. This legislation has been replicated in 35 states. While people debate the issues of school choice, two things are certain: consumers are excited about charter schools, and charter schools are now serving as laboratories for innovation. The bureaucracy of the public school system isn't that conducive to creativity. With the charter school movement, we have these laboratories that sometimes actually affect how the public schools function. Public schools replicate charter school approaches.

HOPE VI Mixed-Finance Public Housing from the Department of Housing and Urban Development. We were bombarded with phone calls about this one. Many people felt that HUD shouldn't receive an award for the HOPE VI initiative. Many of the advocates for the very poor and for the homeless felt that HOPE VI was not fulfilling a promise; it was not providing or replacing affordable housing at adequate levels within communities. We asked those who were representing the program to respond to those charges. In the final analysis, the Committee felt that what HOPE VI had done to achieve its mission—reduce and eliminate the blighted, uninhabitable housing developments in urban areas and replace them with mixed-income housing—had been very successful. In so doing, HUD had leveraged considerable development around the country.

Mental Hospital Seclusion and Restraint Reduction from the Commonwealth of Pennsylvania is another controversial winner. We know that every innovation has its critics. Those that really do go against the grain and buck the system face considerable criticism. This program was hotly debated among the members of the Selection Committee. The exciting thing was that the state of Pennsylvania had brought about a cultural change within its mental health systems. The mental health profession had long since decided that seclusion and restraint was an inhumane procedure. It re-traumatized patients, yet it was still a standard practice. The challenge was to change this practice in a large state bureaucracy. Pennsylvania achieved very impressive results: measurable, dramatic reductions in the use of this particular technique. And hopefully, this model will be replicated across the country.

The Metro Commute Partnerships project in King County, Washington, engages private-sector organizations and universities to create unique strategies to reduce the traffic congestion and to get people to use public transportation. Companies actually give incentives to the employees. It is a very aggressive model that addresses some of the environmental challenges created by excess traffic.

Partnership for Parks, in New York City, is, like many other innovative programs, a partnership. It's a grass roots organizing effort to create more advocates for parks and green spaces in urban areas. Some of the people on the Committee had concerns about the fact that the actual city budget for parks had been reduced while this advocacy initiative was really increasing. Was it fair to reward the city for reducing its budget and putting more of the responsibility on the citizens? That continues to be a debate. However, what was exciting about this one was that young people were at the helm. We sometimes forget that it really is young people in their 30s and 20s and 40s who need to be guiding and leading change. The Committee felt it was very important to

acknowledge the grass roots organizing effort of these young people in New York.

Performance Based Contracting in the state of Illinois. Now, this one is really exciting, because the state of Illinois was considered the worst state in the country in terms of foster care system caseload. Children remained in foster care and did not find permanent placement. Illinois had the lowest rating in the country. Through this particular intervention, they went from the lowest to the highest. They did so by changing the incentives. They realized that their contracting relationship was actually encouraging the retention of children in the foster care system as opposed to encouraging permanent placement. Department of Children and Family Services administrators turned that upside down and created a performance-based contracting system that paid these agencies to actually place the children in permanent homes. As a result, there were dramatic changes. Illinois is now first in the nation in terms of permanency placement. So, incentives can be a major factor in terms of outcomes.

Perritech is a school program from Perry, Ohio. Basically, they taught young people how to be certified computer technology and repair experts. Most of the expense that major public school systems embrace in terms of their technology conversion is not buying the equipment, but rather it's maintaining and repairing it. Systems have to hire consultants and others to maintain the equipment. School administrators in Perry were determined to train these high school kids and get industry certification for them. In addition to gaining industry certification, students launched their own small businesses. The school now has its own built-in technology repair capacity, and these young people have experience as entrepreneurs. Many of them have changed their career tracks and are heading into technology with a leg up because they are already certified at professional levels. One barrier in designing this program was that none of the technology firms were willing to come in and offer certification for kids. The school system did finally get a firm that was willing to provide the training and, in so doing, proved that these kids could, in fact, meet adult standards for certification.

The Public Health Model for Corrections in Hampden County, Massachusetts was also controversial. So controversial, in fact, that its representatives told us they were worried about how they could spend the $100,000 grant that is given to the winners. The purpose of the grant is to promote dissemination across the country. Program leaders want to be quiet about what they're doing because they say the public is so against what they're about. They are providing health care to inmates in prison. The criticism they receive from citizens is, "I can't afford health care. Why should criminals in prison get health care?" Program representatives asked us to be very careful about publicizing and promoting their efforts. We had to figure out a way to spin their story. The spin is that they will promote their innovation within the industry itself rather than with the public at-large. The sheriff, who was a front-line practitioner—we have learned that often it's the front-line practitioner that really gets the idea because he or she is so frustrated with things not working—the sheriff in this county noticed that the inmates had disproportionately high levels of disease, infectious and chronic mental health problems. Many had never seen a health practitioner. Prisoners would go back into the community and spread this disease. They would be not able to function optimally and would

probably come back into the criminal justice system. The sheriff decided to partner with community health centers to provide a continuum of care for these inmates, both inside and outside the system. That was their mission, to provide health care to the inmates. What they didn't expect was that the recidivism rate among these inmates would drop from 25 percent to nine percent. With the grant that they are receiving, they are launching a center that focuses almost primarily on issues of recidivism and the connections to health, particularly to mental health. They are excited about doing that. So, it's an innovation not without controversy, but with very significant implications for the nation.

The Smart Growth and Neighborhood Conservation for the state of Maryland. Many of you probably know about this. We've had quite a few winners this year that deal with the growth and sprawl issue. Maryland is the first state to have legislation that affects the allocation of public funds in terms of development by both discouraging sprawl and encouraging growth within metropolitan areas. Governor Glendening is now head of the National Governors Association and is making smart growth a priority for the organization. It's also a priority for the National Association of Counties and the U.S. Conference of Mayors. Replication will probably be significant.

Those are our ten winners for 2000. We're very excited about our slate.

There are four criteria for selection of the award winners. The first is novelty. How creative is this, and what do we mean by innovation and creativity? Well, I like to think of it as new thought in action. Award-winning programs have measurable results. That's our second criterion. Is it effective? Can we quantify, can we actually see the outcomes? Are they measurable? The third criterion, one that we need to probably give more emphasis to, I think, is significance. How significant is this? Is there a national issue that is being addressed? And then, the final criterion is replicability. Can this idea be transferred? Can others use it?

It's exciting to look back over the 15 years of the Innovations in American Government Program and to notice that we have had 16 winners in the area of the environment. Environmental protection winners seem to surface every year. That is important because of the significance of the problem. The basic structure of our environmental protection system in this country does sort of mandate that many of these winners are state-level winners. Eight of the 16 have been states. We have had five city-based initiatives, one county, and two federal.

The Environmental Technology Certification Initiative in 1996. Fighting pollution has become an increasingly high-tech battle. Governments and the private sector are turning to technology to provide answers to problems. Recognizing technology's key role, the California Environmental Protection Agency, in 1993, established the Environmental Technology Certification Program to work with the private sector to develop and market new prevention and cleanup products. Those proven to work receive official state certification, which gives almost instant credibility to products and processes that might otherwise have to struggle to attract capital or to gain market acceptance. For example,

in California each year, 120 million gallons of waste motor oil are disposed of, 40 million gallons of which are unaccounted for. So the first technology that they certified was an oil filter that dramatically extends the time required between oil changes—offering the potential of considerable reduction in waste oil generated by trucks and cars. The state has certified about four-dozen new technologies, from additives and detoxified water pollutants to quicker and cheaper tests for measuring PCB levels in soil and water. This is an exciting innovation.

The Voluntary Investigation and Cleanup for the state of Minnesota, in 1994, actually was a program of the Minnesota Pollution Control Agency. It provided technical and legal assistance to developers, property owners, and buyers who voluntarily investigate and clean up contaminated land and bring it back to productive use. At no cost to the taxpayers, Minnesota has restored to productive use over 100 acres of formerly contaminated property. That was then; there are probably many more acres now. An example of the successful application of this process is the expansion of the Park-Nicolet Medical Center, which is located on the site of a former solid waste dump.

One of the first federal agency winners was the U.S. Department of Agriculture. They received recognition for the *Northern New Mexico Collaborative Stewardship* in 1998. This is interesting because it was a challenging collaboration. In northern New Mexico, Spanish land grants provided common lands around settlements in the 1600s. The tri-cultural Hispanic, Anglo and American Indian population living in the remote communities of this area still depend on the land to sustain their families: materials for homes and livestock and water for their crops. Even today, most families in this area still cook and heat with wood. These forest systems have changed ownership several times and are now part of the national forest system. Until several years ago, the Camino Real Ranger District, a Forest Service and field office, was able to provide a sustained flow of fuel wood and building materials to these communities by including small forest products in the planning of large timber sales. It's been operating that way for decades. As new people began to move into these areas, however, they wanted their voices heard, and they wanted changes. Large timber sales analyses were taking years to complete. Finally, opposition resulted in a region-wide, Arizona and New Mexico, court injunction stopping all timber sales as well as the ability of the Forest Service to provide personal-use products. The communities faced three problems. Access to the forest resources for traditional uses was at a standstill. People whose only source of heat was wood could no longer obtain it from the forest. And small family businesses dependent on wood products were closing their doors. The morale was low, and there was a feeling of absolute helplessness. Nevertheless, they decided to work toward collaboration and to create what they called a Collaborative Stewardship Effort. Now they have embraced new values, and things are moving forward. Instead of an authoritative and autocratic system, they now take a collaborative and democratic approach. The people are engaged. And they make decisions together.

I think this particular example is very exciting because they overcame cultural, racial, ethnic, and economic barriers, as well as government versus the public barriers. It was a real challenge. But somehow, the folks, with the guidance and help of the U.S.

Department of Agriculture, managed to come up with this collaborative stewardship agreement. And as far as we know, it's still in place.

The last one I'm going to talk about is kind of close to home in the sense that it's a neighbor. It's the city of Wichita's *Environmental Cleanup Program* of 1992. Their program balances environmental recovery and economic health by assuming responsibility for a costly environmental cleanup. The city avoids federal Superfund regulations, which they felt would wreak economic havoc. In 1990, the federal Environmental Protection Agency notified Wichita officials that the groundwater in the aquifer lying beneath the city's downtown business district, a six-square-mile area that included more than 500 businesses, was contaminated. Although the contamination was not considered hazardous at that point, federal law required that if the contaminated area was not addressed quickly, it would be designated a Superfund cleanup area. Wichita was already familiar with the consequences of that designation. They decided they would get together and take a proactive approach. Officials began by creating a settlement agreement with the state in which the city took on a leadership role in cleaning up the site. The local manufacturer most responsible for the environmental contamination agreed to assume proportionate responsibility. The city took responsibility for identifying other polluters and recovering expenses from them. The Wichita officials persuaded seven local banks to resume lending to new businesses and homeowners in the contaminated area in exchange for releasing the new lenders from cleanup liability for prior contamination. Finally, a new method of tax incremental financing was created to provide secondary financing for the cleanup. They have a 20-year plan at work to clean this area up. But the key aspect is that it's a locally-driven collaboration. And it seems to be working.

Q +A and Audience Participation

What are some of the common themes and key aspects that you discovered as you listened?

UNIDENTIFIED: Transferable lessons.

CHRISTOPHER: Certainly the lessons should be transferable. Replicability is one criteria of our selection process. I think one of the challenges that I face right now is to do more retrospective evaluation, to find out to what degree winning ideas and programs have actually been transferred. Have other states or cities picked up these innovations? And if not, what can we do to facilitate that process?

UNIDENTIFIED: Public funds leveraging private resources.

CHRISTOPHER: This idea of leveraging resources is the wave of environmental practice now and for the future. It is an aspect of the HOPE VI initiative, certainly the Brownfields initiative and others. Right there in Wichita they did it. So, definitely, leveraging resources is an important aspect of this.

UNIDENTIFIED: You need to be able to measure their effectiveness.

CHRISTOPHER: That is one major challenge that the performance-based governance era presents to us today. How do we build that into the culture of our organizations ways to measure effectiveness? What are our indicators of effectiveness? Are they transferable? That's a real challenge that we face, and we've got to do more in that area.

Designing evaluation components as part of the programs is also challenging. The performance-based governance era is going to move us in that direction very quickly. It has the potential to upgrade our success in the area of environmental protection. Any other commonalities that you may have noted?

UNIDENTIFIED: A willingness to address controversial issues.

CHRISTOPHER: Yes. A willingness to dive in there and tackle things that are controversial. The front-line practitioners create the innovations. It takes a lot of courage. One of the things I like about this program is that we really do applaud and recognize the courage that it takes to innovate. You are definitely going against a bureaucratic structure that, by its very nature, may not encourage the idea of creativity and change. The courage to do that is something that we have to recognize.

I'm surprised I haven't heard anyone point out the partnership piece of this. I think the partnership is the common theme that is running through. Partnership is a nice word. And how many in the room are married? Well, then you know what a struggle it is to make a partnership work. Partnerships across sectors, in particular. I think as we move forward, toward clearly-identified outcomes, we're going to not only have to partner across sectors, but we're going to have to partner across disciplines more than we ever have before.

The U.S. Public Health Service is going to need to work more closely with the EPA. Transportation is going to need to partner more. We're going to find ourselves having to partner across agencies, not just across the public and private sectors. So, partnership is a challenge, and partnership requires new skills. New skills that are not necessarily the skills that we may have learned as we prepared ourselves for our specific disciplines.

I think the partnership issue is the biggest challenge because that's where these initiatives can fall apart. But it's clearly a running theme through the ones that we see emerging. Anything else that we may not have touched on in terms of themes?

UNIDENTIFIED: I was going to say something about the front-line practitioner and organizational cultures.

CHRISTOPHER: Innovation can be spontaneous. It can happen because someone decided, "Okay, I've had enough and I want to change things." But innovation can also arise because an organization has been restructured to be conducive to creating

opportunities for innovation.

I think that's the direction in which the EPA is trying to move and certainly has been moving. The fact that they've convened this conference would suggest that it wants to be an organization that says, "We want to support innovation."

What are the characteristics that have to be in the culture of an organization to promote innovation? One of the most important characteristics is that the structure of the organization has to be less hierarchical and more conducive to teams as well as to accountability at intermediate levels as opposed to just strictly top-down accountability.

It also has to be a culture that supports risk taking. Innovations don't always succeed. Those of us who are advocates for innovation don't like to say that so often publicly, but we have innovations that are no longer on our list because they went out of business. We have innovations that created unintended consequences that weren't so good. We have to be willing to know that if you're going to take a risk, there's a possibility that there might be failure. There has to be a belief that the risk is carefully monitored.

This brings me to the other aspect that we need to pay attention to in public-sector innovation. Whenever you want to change the status quo, your intentions, your motivations, may be perceived as political. The consequences will probably be political. One of the lessons we've learned about innovation in government is that there are always political overtones. There are political ramifications for every innovation.

There are political implications -- political, not just partisan political, not just electoral political, but political in terms of organizational structure and authority.

Clearly, those that have been successful work very hard to engage multiple stakeholders early in the planning process of the innovation. They try to deal with the projected consequences. Stakeholder engagement becomes a critical part of changing an organizational culture to support innovation. Monitoring and staying in touch with stakeholders throughout the innovation phase is another important process.

We're coming out of an era of government reinvention. We may not be coming out of it; we're moving, we're evolving, I think, from reinvention to performance-based governance. But if I were to ask you, what was the mantra that comes to mind when you think of government reinvention, what is it? What is the phrase that sticks in your mind? I'd be curious. Anybody willing to take that risk and tell me?

When you think of government reinvention, what comes to mind most readily? For me, what I've found as I worked with people in Washington, the phrase was, "We're going to do more with..."

AUDIENCE: Less.

CHRISTOPHER: Right. We are going to downsize. We are going to do more with

less. And a lot of agencies are doing more with less. But as you marry these two dynamics of doing more with less and downsizing and becoming a performance-based organization that promotes innovation, which requires more what? More labor.

You may reach an impasse there that says " enough is enough" here. We've got to not do more with less, we've got to do more with more. Or, we've got to do less with less. But trying to continue to extend ourselves in the absence of available resources is a challenge. And I think we have to be realistic as we talk about creating performance-based organizations; we have to recognize how labor-intensive the process is.

Now, the last thing I want to talk about is the issue of citizen engagement and citizen participation as an important component of innovation.

Citizen engagement is the hallmark, I think, of most effective innovations, particularly in the environmental protection domain. But how do you do that? How do you engage citizens effectively over time? How do you educate citizens? It brings me to the partnership agreement that was developed between the states and the federal government. One of its objectives was to improve citizen engagement as well as citizen education. Citizen engagement efforts are complicated because our access to citizens is so often through the traditional interest groups. Through the, what we call, "professional citizens," the ones that have the resources and they have access to the table, but they're really representing the interest groups. One of our finalists, for instance, this year in the Innovations Program was a program called *Lobbyists On-Line*. It's a wonderful concept. There's going to be increased transparency, and everybody's going to know exactly who the lobbyists are and whom they represent. It's a Web site; it's interactive, and it's wonderful. But when we did the research, guess who's using the site? The industry and the lobbyists. The citizens are not using the site. So, what we're really doing is accelerating and facilitating more effective lobbying with that particular project at this stage.

So, the capacity to really reach to that other level, to really engage citizens in this process of innovation is, again, labor-intensive, and it's not easy. It requires being able to recognize that we have to go beyond the traditional partners who are usually at the table when it comes to community meetings and town hall gatherings. It means partnering with the non-profits groups, with the faith-based organizations, with the schools, with the parents, with the media. Again, very labor intensive, very much a local, people-driven effort.

But citizen engagement and citizen education about environmental issues is probably one of the biggest challenges this movement faces. When you say "environment" (except for the enlightened ones who were there, who have been activists for years), young people really don't relate as readily to the concept of environment as much as they do to the concepts of threat and risks to their own health and well being.

So the challenge is also one of packaging and marketing to support your important work. What do we do with our environmental communication to make sure that we actually

reach the people whose votes we need, whose support we need, in order to have the resources?

The topic of real, inclusive citizen engagement is missing from many of the reports today on innovation. And I think we're going to hear more about it, hopefully, over the next decade. Inclusion and environmental justice are major factors in the need to engage citizens more effectively.

If you haven't read it, I would really like to draw your attention to a report issued by the National Academy of Public Administration called "Environment.gov -- transforming Environmental Protection for the 21st Century." They do have a web site: the National Academy of Public Administration. Much of the report can be downloaded. Funded by Congress, the Academy engaged many, many people out in the field, in the states, in the universities, to look at what challenges the Environmental Protection Agency faces. What are the conundrums and the barriers? The report takes a very serious look at the problems that were associated with the partnership effort between states and the federal government and makes very concrete recommendations for the next administration.

If I were to try to summarize the recommendations, it basically talks about the disconnect between the hierarchy in Washington and the regional offices and the states, and it talks about the need to invest more in providing the training necessary and facilitating the managerial capacity to really develop performance-based approaches, to develop indicators, and to do so across the board.

They assert that there isn't enough support for the proposed partnership, the performance-based partnership, at the top, in Washington. Support does not permeate across the country in the way that it should. States that have embraced the concept are not really focusing on outcomes so much as they are still activities and outputs as opposed to getting measurable indicators.

This Academy report should give you a lot of ammunition as you reach out for more resources to bring about change and to support your efforts. The report is really a look at innovation over the last ten years in the EPA, and what has actually happened within communities.

The bottom line, for me, has been that we're all struggling to do this, and it isn't easy. And it reminds me of an African proverb that I have always liked. I've been a social change agent and an entrepreneur all my life, adult life. The proverb is `To stumble is not to fall, but to move forward faster.'

And I think that those of us who are determined to innovate and to embrace a performance-based approach recognize that sometimes it's a stumble. But we will get there eventually. I do applaud your convening, and I hope that as a result of this effort, you'll build a network that allows you to stay in touch and continue to nurture and support each other's efforts. Thank you.